

Impact of Demonetisation and Pandemic on Digital Payments Usage

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Abstract: *In the current pandemic scenario, the entire world is witnessing a tremendous change from traditional businesses and services to a digital equivalent of the same. Digital payments play an important role and provide several benefits over cash, including ease of transaction, security, and transparency. The strive to make India a cashless economy started visibly with the effect of demonetisation. The after effects of demonetisation saw a transition in the consumer segment wherein the trend of using cashless payments had inclined. Now after the present COVID - 19 pandemic situation, majority of the consumers and retailers are forced to adopt and use digital modes of payments. The paper focuses on throwing some insights on the usage of digital payments during pre and post demonetisation and COVID - 19 pandemic times among consumer demographics on their various expenses. The study reveals that there has been a favourable incline towards digital payments at the present stage which will pave way for a sustainable economic growth.*

Keywords: Digital Payments, Demonetisation, COVID - 19 Pandemic, Sustainable Development, Consumers, Spending Pattern

1. Introduction

The entire world is seeing a drastic shift from traditional businesses and services to an online version of the same in the present pandemic scenario. One among these welcomed changes is the payments industry. From cash being the king in the payments sector once, it is being replaced with various digital payments. This transition from a cash based economy to a less cash or cash - less economy is increasing due to the severity of the COVID - 19 pandemic across the globe. In November 2016, our country faced the demonetisation of currencies. The main aim of this move was to curb the use of cash and reduce the corruption related to cash usage. Various schemes and initiatives by the government were launched to make this move smooth among the public. This move was a pull strategy by the government to make our economy cashless like other developed economies in the world. Even though there were many who adopted cashless payments then due to demonetisation, there were still a majority who still used only cash or still uses cash. The strike of the pandemic in December 2019 across the globe has led to many changes and innovations in almost all sectors of the economy. The main transition towards a cashless society has started due to the result of the pandemic in India. Lockdowns and curfews during different phases of the pandemic has led the public both the demand side consumers and the supply side merchants to incorporate cashless payments in their payment requirements. This was mainly due to the ease of transaction and convenience related to using cashless modes during these times. Sustaining good practices in any sector or fields helps the economy to prosper in the future. The four main pillars of sustainability are human, social, economic and environment. A sound financial infrastructure with a structured framework in payments will accelerate the country's aim in attaining sustainable development goals.

2. Review of Literature

Cashless transactions and cashless economies have exploded in popularity during the last decade. This dramatic increase in cashless transactions has occurred not just in wealthy countries, but also in a number of emerging nations. The majority of the market is currently undergoing transition. The rise of cashless transactions, such as grocery shops, hypermarkets, and electronic markets, as well as other innovative consumer offering products and services, can be seen in each market sector (Preeti, 2021). Plastic cards, internet purchasing, and mobile payments are all gaining traction in ways that go beyond traditional payment methods. Customers are encouraged to move from cash - based to cashless systems as a result of the government's aim to supply high - tech services in conjunction with other businesses, boosting efficiency and lowering process costs.

All around the world, the cashless economy is being taken forward by consumer choice and preferences and technological advancements (Świecka, et. al 2021). These forces are leading more and more commercial transactions to be processed without cash, across every type of venture.

With new providers, new platforms, and new payment tools launching on an almost daily basis, payments are now evolving at a rapid pace. When consumer behaviour grows, the Omni commerce line or via a mobile device. This shift precipitates a need for retailers to adapt to these payments quickly, secure, and straightforward (Zavare et. al, 2021)

There are various methods of cashless payments in India such as credit cards, debit cards, prepaid bank cards, mobile / E - wallets, ATM money transfers, internet banking transfers, AADHAR Enabled Payment System (AEPS), Unified Payment Interface (UPI), cheques, demand drafts, NEFT & RTGS transfers, gift cards, bank apps, Bharat /India QR code, Unstructured Supplementary Service Data (USSD) and, E - cash coupons. Apart from these payment modes, there are a lot of private players in the financial

market, developing their own payment space to enable ease of transaction.

The pace of transition in the 1990s and 2000s was particularly high when several developments changed the way banking was viewed and was the product of autonomous and driven environmental necessities, according to a study conducted by Malik (2014). Demonetisation caused a severe cash shortage in the economy, which led to a greater acceptability of trading in digital currency. Even though the adoption of many cashless payment avenues started with demonetisation, the usage enhanced with the strike of the pandemic. Empowering Exceptional (E) payment Experience through an ecosystem to support cashless payments was the prolonged vision of RBI for 2021.

Despite pandemic - related obstacles during the previous two years, according to the newest Worldline India research "India Digital Payments Report Q3 2021," digital payments continued to rise even in rural areas across the nation and were not limited to the large cities. According to the RBI's Payments Infrastructure Development Fund report from September 2021, India's fast expansion across varied sectors such as telecom, healthcare, IT, retail, automobiles, and agriculture has accelerated the demand for sustainable, safe, and equitable payment systems. The volume of digital payment transactions has continued to rise in India since the start of the COVID - 19 epidemic. According to Shah et al. (2016), a clear value proposition driven by next - generation technology, backed by deep customer engagement and scaled up by strong partnerships, is what this industry will look like in the upcoming days.

According to Arner et al. (2020), the full potential of FinTech to support the Sustainable Building Goals (SDGs) will be realised through a graded approach to the development of core infrastructure to support digital financial transformation. According to the research, focusing on four pillars is a viable solution. The first is the development of a digital identity, as well as the simplification of bank account opening and the verification of electronic know - your - customer (e - KYC) systems. This should be accomplished through the use of the second pillar, which consists of free interactive electronic payment systems. The third pillar covers the utilisation of the first and second pillars' infrastructure to improve the electronic delivery of public utilities and payments. The last pillar focuses on the structure of digital money markets and systems, which aids improved access to finance and investment even further. The availability of communications infrastructure is critical in establishing digital financial infrastructure in this manner. Countries with a greater percentage of smart phone use and inadequate, outdated banking institutions will benefit from such an approach.

It is commonly acknowledged that if digital payments and newer financial technology are delivered commercially and ethically in a structured framework, a country's growth and attainment of Sustainable Development Goals will be accelerated (Sharma et. al., 2021). There are various strategies adopted by the government in order to boost the retail sectors in the country according to IBEF, 2021.

According to Kim (2014), a comprehensive approach is required for the success of digital efforts, in which present digital platforms, infrastructure, human resources, and policy frameworks are strengthened. Human resources are expected to be used by upskilling them and encouraging them to contribute constructively in order to achieve financial institution last - mile connectivity. If corrective actions are taken to address present issues and interventions, Digital India has the potential to amplify the benefits of economic growth for the poor. In addition, financial institutions will save money, and security and data accuracy concerns associated to financial transactions will be addressed (Bhavsar et. al, 2021).

Even though there are many literatures adding to use of digital payments during the pre and post demonetisation and COVID - 19 pandemic separately; this study aims to combine all the three phases to study the usage and inclining trend of digital payments in the economy. Very few researches are available which compares the consumer demographics to the level of spending among various retail sectors or expenses. This paper aims to study the same.

3. Objectives

- a) To understand the consumers' usage of sustainable digital payments during pre and post demonetisation and during the pandemic.
- b) To analyse the consumer demographics on their spending pattern through digital payments during the pandemic

4. Research Methodology

The study is based on primary as well as secondary information. The information was gathered from a variety of sources, including research articles, authenticated websites, RBI bulletins, and daily newspapers and first - hand information from consumers who use cashless payments.

The study takes secondary information to analyse the levels of usage pattern of digital payments among consumers during three different periods such as pre - demonetisation, post demonetisation and during the Covid - 19 pandemic. First - hand information is collected from consumers to understand the spending pattern of theirs in various sectors. Responses from various consumers were chosen, and a random sample approach was used. A total of 250 consumers from all age groups and numerous other characteristics were surveyed in Bangalore, who are either using any kind of digital payments.

A well - structured questionnaire was created and sent, with the first section comprising the respondent's profile and the second part containing general information concerning the use of digital payment methods. The responders were asked to select their preferred option. The questionnaire's reliability was tested using Cronbach Alpha IBM - SPSS Version 20 software.

5. Results and Discussion

The first objective made an effort to study the volume or usage of various digital payments across three different periods such as pre demonetisation, post demonetisation and during the pandemic. Prior to the demonetisation which happened on November 8th, 2016; from Table 1 it reveals that the volume of digital payments in terms of usage were low in the fiscal year 2014 – 2015. Even through there was a uniform and a slow growth in the next fiscal year 2015 – 2016, from 2016 – 2017 until now there has been an upward trend in the usage of digital payments.

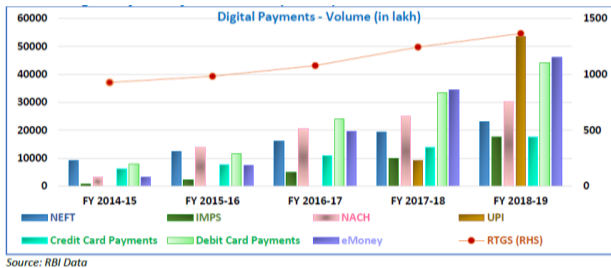


Figure 1: Digital Payment system in Volume

Domestic payments are becoming more convenient, fast, and pervasive due to technological advancements. Consumers now have more alternatives, making it easier for them to use digital payments. Around the world, systems that provide near - instant person - to - person retail payments are becoming more widely available. Many payment systems in the nation now run 24 hours a day, seven days a week, encouraging users to switch to digital payments due to their ease. Immediate Payment Systems (IMPS) and Unified Payments Interface (UPI) are two types of quick purchases in India, with the latter boosting the amount of retail payments. Furthermore, with NEFT, which drives retail payments value, operationalized 24 hours a day, seven days a week (with half - hourly settlements), India's payment systems environment is likely to expand significantly.

The post - demonetization period in India has seen an increase in cashless transactions as a result of a cash scarcity in the system forcing customers to switch from cash to cashless purchases. In the retail sector, the focus has switched to cost - cutting, with banks continuing to push clients through lower - cost electronic and automated channels in order to eliminate human engagement (Lohana and Roy, 2021). On the contrary, it is critical to examine the demographic influence of customers on the use of digital payment systems.

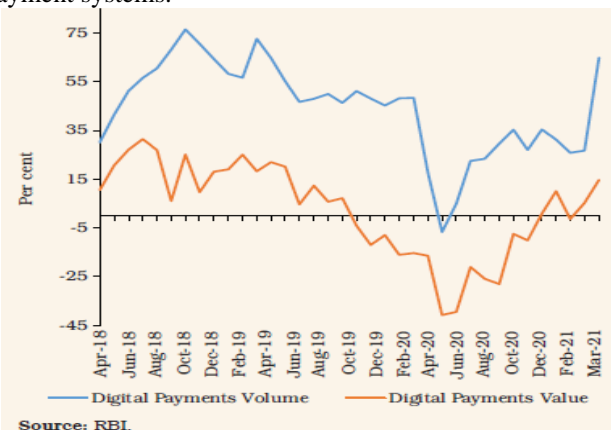


Figure 2: Digital Payment system– Annual Turnover (Post demonetisation and during Covid – 19 period).

During the early stages of the countrywide lockdown due to the COVID - 19 epidemic, payments decreased. However, when the lockdown was gradually relaxed, the value and volume of payments increased. COVID heightened the urgency for online payments as millions of people hurried online. Even now as the Covid pandemic phase continues and curfews are declared in various parts, the digital payments serve as a best option for people to conduct low or high denomination payment requirements. In contrast to the negativity caused by the Covid - 19 outbreak and the economic lockdown, digital payments and fintech hit record highs in 2020, when a large number of individuals chose to stay at home and maintain social distancing. Fearing fresh coronavirus infections from visiting bank offices and using currency notes, many individuals began to use their cell phones to make purchases and even take out loans for seamless banking services, not just in metros but also in rural towns.

This upward trend is likely to increase according to the RBI as people have experienced convenience, ease of use and timely transactions with cashless modes compared to cash based. The adoption levels have increased severely that this usage of digital payments can be the trend in the payments sector. Digital payments have penetrated more into the rural sectors as they aim at offering such service at cheap costs (RBI, 2021).

A balance in such trend with the urban and rural categories will make sure sustainable development in areas of economic growth. Evidence suggests that consumer behaviour is shifting toward a preference for sustainable consumption (World Economic Forum, 2020). So, what would it take for customers to continue shifting their purchasing toward more environmentally sustainable products and methods? A better understanding of their existing and expected spending would undoubtedly be beneficial. Digital banking and cloud migration have not only improved customer service in 2020, but they have also greatly decreased the need for travel and paper - based transactions, which has a favourable influence on banks' green agendas. Sustainability has been a major topic for some years, and it will continue to be so in 2021 as investment banks roll out indexes that assess how green investments are performing, and corporate loans become more closely linked to a borrower's 'green' status (Rosner, 2021).

Table 1: Consumer Demographic profile who use Cashless Payments

Gender		
	Frequency	Percent
Male	128	51.3
Female	122	48.7
Total	250	100.0
Age		
	Frequency	Percent
15 - 25	102	40.8
26 - 35	73	29.2
36 - 45	41	16.4
46 - 55	23	9.2
56 - 60	7	2.8
60 and above	4	1.6

Total	250	100.0
Marital status		
Unmarried	113	45.2
Married	137	54.8
Total	250	100.0
Income		
	Frequency	Percent
Less than 2 lakhs	132	52.8
2 lakhs - 10 lakhs	65	26
10 lakhs - 20 lakhs	23	9.2
20 lakhs - 50 lakhs	17	6.8
Above 50 lakhs	13	5.2
Total	250	100.0
Education		
	Frequency	Percent
Primary	21	8.4
Higher secondary	37	14.8
Graduation	73	29.2
Post - graduation	85	34
Professional qualification & above	34	13.6
Total	250	100.0
Occupation		
	Frequency	Percent
Private sector	73	29.2
Public sector	41	16.4
Professionals	56	22.4
Others	80	32
Total	250	100.0

Table 2: Consumers' level of spending in various expenses

Description of Expenses		Level of Spending		
		Low 1	Moderate 2	High 3
1. Grocery	Frequency	75	83	92
	Percent	30	33.2	36.8
2. Food/ Beverages/ Restaurants/ Entertainment	Frequency	25	71	154
	Percent	10	28.4	61.6
3. Utility Payments / Taxes/ Trading	Frequency	78	107	65
	Percent	31.2	42.8	26
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Frequency	13	72	165
	Percent	5.2	28.8	66
5. Fees/ Books/ Gifts/ Donations	Frequency	137	63	50
	Percent	54.8	25.2	20
6. Travel/ Hotel Booking/ Fuel	Frequency	63	66	121
	Percent	25.2	26.4	48.4
7. Electronic Gadgets/ Home Appliances/ Durables	Frequency	27	89	134
	Percent	10.8	35.6	53.6
8. Medical Expenses/ Pharmacy/ Hospitals	Frequency	45	133	72
	Percent	18	53.2	28.8

The consumer demographics were studied to understand the difference in usage among the various categories of gender, age, marital status, income, educational qualification and occupation. It was found that there was almost equal usage among both the genders. Majority of the sample were of the age 15 to 15 and 26 to 35. This shows that the younger generation have accepted the digital payments better. With respect to the marital status of the consumers, most married consumers use digital payments. Highly qualified consumers such as graduates, post – graduates and professionals use more of digital payments compared to the lesser qualified. This is due to the level of technological knowledge they possess to try out new payment avenues. The lesser qualified people lack awareness and skill to perform such digital

payments. The usage pattern among the income groups shows that less earning people use more of digital payments. This may be due to the lack of response from the elderly. Most younger generations earn within 10 lakhs and they contribute more to the usage pattern. Among the occupation category, the private sector and professionals use more of cashless payments compared to the public sector and others. To understand better the consumer demographics with respect to what expenses consumers spend on more, the various expenses are been analysed through Cross tabulation with each of the demographic profile of the consumers namely gender, age, marital status, educational qualification, income and occupation.

Table 3: Cross tabulation of gender with Level of spending on Expenses

Description of expenses	Usage	Gender		Total
		Male	Female	
1. Grocery	Low	52	23	75
	Medium	46	37	83
	High	42	49	92
2. Food/ Beverages/ Restaurants/ Entertainment	Low	11	14	25
	Medium	47	24	71
	High	94	60	154
3. Utility Payments / Taxes/ Trading	Low	36	42	78
	Medium	76	31	107
	High	49	16	65
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Low	7	6	13
	Medium	39	33	72
	High	76	89	165
5. Fees/ Books/ Gifts/ Donations	Low	71	66	137
	Medium	22	41	63
	High	27	23	50
6. Travel/ Hotel Booking/ Fuel	Low	27	36	63
	Medium	41	25	66
	High	73	48	121
7. Electronic Gadgets/ Home Appliances/ Durables	Low	8	19	27
	Medium	43	46	89
	High	78	56	134
8. Medical Expenses/ Pharmacy/ Hospitals	Low	23	22	45
	Medium	65	68	133
	High	42	30	72
Total		128	122	

Table 4: Cross tabulation of age with Level of spending on Expenses

Description of expenses	Usage	Age					
		15 - 25	26 - 35	36 - 45	46 - 55	56 - 60	Above 60
1. Grocery	Low	59	17	16	1	1	1
	Medium	31	31	16	1	4	1
	High	12	25	27	21	2	2
2. Food/ Beverages/ Restaurants/ Entertainment	Low	4	8	4	5	2	2
	Medium	36	17	9	5	2	2
	High	62	48	28	13	3	0
3. Utility Payments / Taxes/ Trading	Low	40	15	9	5	6	3
	Medium	56	45	5	0	0	1
	High	6	13	27	18	1	0
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Low	2	3	4	2	1	1
	Medium	14	39	9	5	3	2
	High	86	31	28	16	3	1
5. Fees/ Books/ Gifts/ Donations	Low	57	34	31	11	2	2
	Medium	33	14	4	5	5	2
	High	12	25	6	7	0	0

6. Travel/ Hotel Booking/ Fuel	Low	25	21	4	10	2	1
	Medium	41	9	6	4	3	3
	High	36	43	31	9	2	0
7. Electronic Gadgets/ Home Appliances/ Durables	Low	19	3	4	1	0	0
	Medium	49	14	8	9	5	4
	High	34	56	29	13	2	0
8. Medical Expenses/ Pharmacy/ Hospitals	Low	18	14	9	4	0	0
	Medium	71	39	10	8	3	2
	High	13	20	22	11	4	2
Total		102	73	41	23	7	4

Table 5: Cross tabulation of marital status with Level of spending on Expenses

Description of expenses	Usage	Marital Status	
		Unmarried	Married
1. Grocery	Low	54	21
	Medium	30	53
	High	29	63
2. Food/ Beverages/ Restaurants/ Entertainment	Low	10	15
	Medium	43	28

3. Utility Payments / Taxes/ Trading	High	60	94
	Low	39	39
	Medium	51	56
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Low	11	2
	Medium	34	38
	High	68	97
5. Fees/ Books/ Gifts/ Donations	Low	101	36
	Medium	5	58
	High	7	43
6. Travel/ Hotel Booking/ Fuel	Low	54	9
	Medium	29	37
	High	30	91
7. Electronic Gadgets/ Home Appliances/ Durables	Low	20	7
	Medium	61	28
	High	32	102
8. Medical Expenses/ Pharmacy/ Hospitals	Low	28	17
	Medium	56	77
	High	29	43
Total		113	137

Table 6: Cross tabulation of qualification with Level of spending on Expenses

Description of expenses	Usage	Educational Qualification				
		Primary	Higher secondary	Under graduation	Post graduation	Professionals
1. Grocery	Low	4	7	21	23	20
	Medium	12	23	19	25	4
	High	5	7	33	37	10
2. Food/ Beverages/ Restaurants/ Entertainment	Low	0	6	7	7	5
	Medium	5	13	16	31	6
	High	16	18	50	47	23
3. Utility Payments / Taxes/ Trading	Low	4	9	25	27	13
	Medium	14	21	28	31	13
	High	3	7	20	27	8
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Low	1	2	3	4	3
	Medium	3	5	30	21	13
	High	17	30	40	60	18
5. Fees/ Books/ Gifts/ Donations	Low	21	32	43	22	19
	Medium	0	5	18	32	8
	High	0	0	12	31	7
6. Travel/ Hotel Booking/ Fuel	Low	13	4	22	19	5
	Medium	5	14	13	29	5
	High	3	19	38	37	24
7. Electronic Gadgets/ Home Appliances/ Durables	Low	7	12	5	4	4
	Medium	9	10	24	35	7
	High	5	12	44	46	23
8. Medical Expenses/ Pharmacy/ Hospitals	Low	9	12	17	7	0
	Medium	8	22	41	47	15
	High	4	3	15	31	19
Total		21	37	73	85	34

Table 7: Cross tabulation of income with Level of spending on Expenses

Description of expenses	Usage	Income				
		Less than 2 lks	2 lks – 10 lks	10 lks – 20 lks	20 lks – 50 lks	50 lks and above
1. Grocery	Low	13	12	4	4	2
	Medium	66	31	11	8	5
	High	53	20	8	5	6
2. Food/ Beverages/ Restaurants/ Entertainment	Low	6	10	2	1	1
	Medium	47	21	5	7	7
	High	79	34	16	9	5
3. Utility Payments / Taxes/ Trading	Low	61	4	5	5	3
	Medium	50	34	12	4	7
	High	21	27	6	8	3
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Low	5	7	1	0	0
	Medium	38	24	4	6	0
	High	89	34	18	11	13

5. Fees/ Books/ Gifts/ Donations	Low	65	44	14	9	5
	Medium	31	14	7	5	6
	High	36	7	2	3	2
6. Travel/ Hotel Booking/ Fuel	Low	53	6	3	0	1
	Medium	43	14	4	0	5
	High	36	45	16	17	7
7. Electronic Gadgets/ Home Appliances/ Durables	Low	5	6	8	5	3
	Medium	61	18	4	3	3
	High	66	41	11	9	7
8. Medical Expenses/ Pharmacy/ Hospitals	Low	28	10	1	2	4
	Medium	73	33	13	9	5
	High	31	22	9	6	4
Total		132	65	23	17	13

Table 8: Cross tabulation of occupation with Level of spending on Expenses

Description of expenses	Usage	Occupation			
		Private sector	Public sectors	Professionals	Others
1. Grocery	Low	13	5	16	41
	Medium	12	27	16	28
	High	48	9	24	11
2. Food/ Beverages/ Restaurants/ Entertainment	Low	5	3	4	13
	Medium	21	14	19	17
	High	47	24	33	50
3. Utility Payments / Taxes/ Trading	Low	10	3	20	45
	Medium	44	23	14	26
	High	19	15	22	9
4. Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others	Low	2	2	5	4
	Medium	34	16	7	15
	High	37	23	44	61
5. Fees/ Books/ Gifts/ Donations	Low	26	28	27	56
	Medium	16	12	19	16
	High	31	1	10	8
6. Travel/ Hotel Booking/ Fuel	Low	7	5	13	35
	Medium	21	6	24	17
	High	45	30	19	28
7. Electronic Gadgets/ Home Appliances/ Durables	Low	3	12	7	5
	Medium	6	16	31	36
	High	64	13	18	39
8. Medical Expenses/ Pharmacy/ Hospitals	Low	10	9	4	22
	Medium	22	17	43	51
	High	41	15	9	7
Total		73	41	56	80

Each of the expenses such as grocery; Food/ Beverages/ Restaurants/ Entertainment; Utility Payments / Taxes/ Trading; Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others; Fees/ Books/ Gifts/ Donations; Travel/ Hotel Booking/ Fuel; Electronic Gadgets/ Home Appliances/ Durables and Medical Expenses/ Pharmacy/ Hospitals are tested based on the level of spending such as low, medium and higher spending pattern.

Based on the survey data, it is evident that consumers irrespective of their demographic categories spend the highest on Shopping: Clothing / Accessories/ Jewellery/ Footwear/ Others; Food/ Beverages/ Restaurants/

Entertainment; Travel/ Hotel Booking/ Fuel; and Medical Expenses/ Pharmacy/ Hospitals respectively.

Based on each of the expenses categories, the survey shows that the male population spend more compared to women even though there is not much difference in the respondent numbers. A higher spending pattern is found in the age groups of 26 – 35, 36 - 45 and 46 – 55 on grocery. This supports the income generated by these age groups and how well qualified they are. The lesser age categories spend much on Food/ Beverages/ Restaurants/ Entertainment. Married population spend more on these expenses even though the level of spending differs among them. The more the people are qualified the ore likely for them to adopt and use cashless payments. This is due to the awareness of various modes and the benefits they can elicit from them. Among the occupational categories, the private sector and the professionals engage in increased usage of cashless payments compared to the others.

The retail digital payments business has soared to new heights in the last year as more individuals shied away from cash in fear of catching Covid - 19 and shifted to the digital method of transactions for convenience. According to Reserve Bank of India data, digital transactions accounted for 98.5 percent of total non - cash retail purchases in 2020 - 21, with credit transfers being the most popular method. The prior year's figures were 97.0 percent. Customers' buying habits and purchase preferences have altered significantly as a result of the epidemic. As online shopping grows more popular, digital payment methods will become a driving factor in changing shopper preferences, opening up a previously untapped opportunity for merchants. Simply put, the global financial crisis has changed the way people handle their money. It is clear that this new economic outlook is here to stay as individuals return to normalcy, resulting in increasing consumer demand. As economies recover, embracing digital is not only a simple option for consumers and businesses, but it is also a critical element of the recovery process.

6. Conclusion

Even though demonetisation was a pull strategy by the government to get the people to use more of digital payments, the increased and faster adoption of digital payments were seen when the pandemic broke out. More and more sections of the society started to deal in low and high denominations of cashless payments making it easier for them to transact even when there was a barrier to

physically be present. The epidemic has prompted people and businesses to re - evaluate their payment framework and infrastructure to include interruption mitigation and continuity planning concerns. Furthermore, for many historical businesses in the industry as well as individual customers, the epidemic has highlighted underlying problems brought on by rigidity or inflexibility in being unduly reliant on cash as a sole mode of payment. The COVID - 19 crisis brought into doubt the premise that cash is the ultimate liquid asset, prompting payers to reconsider its status as the most accessible and convenient payment mechanism.

The change in the consumers' payment habit have resulted in the consumer market to totally alter the products they have to offer. The retailers' have been adopting newer payment mechanism in order to meet the fast - changing demand of the consumers. Various retail sectors have made their businesses as an Omni channel wherein both physical and online version of the products and services are availed. Based on the consumer requirement, the industries have started to change. All these are seen as an after effect of how the COVID - 19 pandemic have struck the economy. Newer technologies have tapped the opportunities remaining in this pandemic and paved way to offer a better experience to the consumers.

In conclusion, COVID - 19 has had a complicated and multi - faceted influence on the digital economy. Increased usage in the short term is expected to hasten the long - term transition to digital payments. Continuing this transition will lead to a sustainable economic growth with sustainable payments system.

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